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Korea, Republic of

Exporter Guide - Update

The Korean Consumer Food Market 2000

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Report Highlights:

Imports of Processed Food Products have surged so far this Calendar Year, up 45 percent over the same period last year. Imports of these products from the United States were up a whopping 68 percent. The strong import performance was fueled by the continued double digit economic growth, which posted gains of 12.8 percent in the first quarter of 2000.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Seoul ATO [KS2], KS

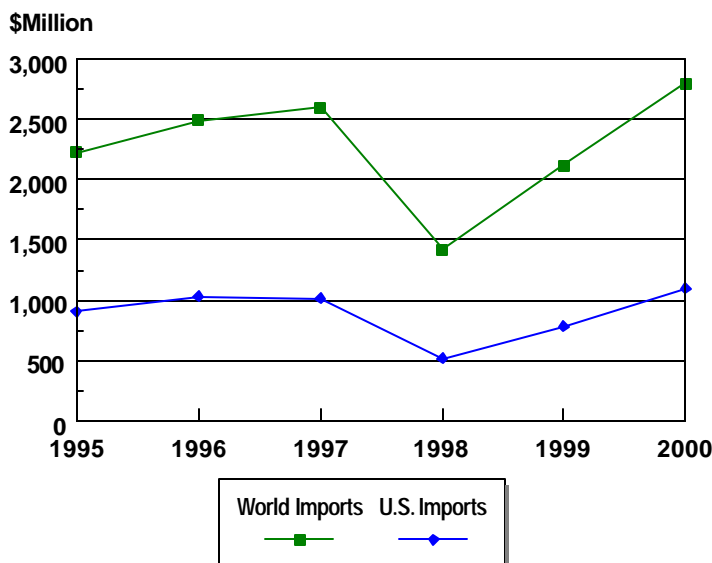
1. Market Overview for Consumer Oriented Food in Korea

The real GDP growth rate in Korea reached 12.8 percent in the first quarter of 2000, although the pace has slowed since. Accordingly, the Korean government recently raised this year's GDP growth outlook to 8.5 percent from the previous target of 6 percent and lowered its inflation forecast for this year to less than 2.5 percent from the earlier 3 percent. Korea's per capita income is expected to come back to \$10,000 in 2000 from about \$8,580 in 1999 and foreign exchange reserves totaled a record \$90 billion as of the end of June 2000.

In tandem with the strong and fast recovery of the Korean economy, during the first five months of 2000, total imports of consumer oriented food jumped by 45 percent to \$1.16 billion from \$802 million during the same period of 1999. Imports of consumer oriented food from the United States also jumped to \$467 million during the cited period, up 68 percent from \$278 million during the same period of 1999. These imports from the United States account for 40.3 percent of those imported from the world.

Imports of consumer oriented food in Korea are expected to continue to increase at a double digit number in the next few years. In 1999, imports of consumer oriented food in Korea increased significantly by about 50 percent both from the world and the United States.

2. Consumer Oriented Food Imports from the World and USA



The figures in 2000 are estimates. Imports of consumer oriented food in Korea are expected to reach the highest level in the year 2000 at \$2.8 billion and the same from the United States to reach \$1.1 billion, again the highest level. The U.S. market share of consumer oriented food in Korea was 37 percent in 1999.

3. Consumer Oriented Foods from the USA - Products in Demand

HS Code Number	Product Description	1999 Jan-May (\$million)	2000 Jan-May (\$million)	Percent Change
0201-0202	Beef	88.1	193.4	119.5%
0206	Edible offals	9.8	14.9	51.5%
0207	Poultry	13.4	20.1	49.9%
0401-0406	Dairy	6.5	9.5	44.7%
0504	Guts/stomachs	5.0	6.3	26.0%
0805	Citrus	16.7	49.1	194.3%
1806	Chocolate	6.4	9.4	47.0%
1905	Bread/pastry/cakes	2.1	6.1	190.7%
2106	Food preparations	19.1	35.0	83.5%
Total		172.1	343.8	99.8%

Source: Korea Trade Information Service

The above mentioned consumer oriented food imports account for 73.7 percent of the total consumer oriented food imports from the United States during the first five months of this year.

End of Report

This report provides updated economic information for the Exporter Guide to Korea, (KS9106) released on 11/30/1999

Market Briefs are researched and produced by the Agricultural Trade Office in Seoul, Korea. Market Briefs are meant to provide exporters with key information on products the ATO has identified as having excellent potential in the Korean market.

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